

Mr. Speaker, I commend the gentleman from California (Mr. SHERMAN) for seeking to honor Chick Hearn by naming a post office after him in Encino, California; and I urge the swift passage of this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. DAN MILLER of Florida. Mr. Speaker, I urge adoption of this measure, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. ADERHOLT). The question is on the motion offered by the gentleman from Florida (Mr. DAN MILLER) that the House suspend the rules and pass the bill, H.R. 5340.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1400

#### EXPRESSING SUPPORT FOR PRESIDENT'S 2002 NATIONAL DRUG CONTROL STRATEGY

Mr. SOUDER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 569) expressing support for the President's 2002 National Drug Control Strategy to reduce illegal drug use in the United States.

The Clerk read as follows:

H. RES. 569

Whereas nearly 20,000 Americans, many of them children, die of drug-induced deaths, more than 52,000 Americans die from drug-related causes, and more than 600,000 Americans visit hospital emergency rooms for drug-related episodes every year;

Whereas the United States has for years been one of the largest consumers of illegal drugs in the world;

Whereas more than 50 percent of high school seniors have experimented with an illegal drug at least once prior to graduation, 2,800,000 Americans are considered to be "dependent" on illegal drugs, and an additional 1,500,000 are in the less severe "abuser" category;

Whereas the societal costs, including lost productivity, of the illegal drug problem in America have reached a staggering \$160,000,000,000 per year;

Whereas the United States is experiencing a dramatic increase in the potency of marijuana and sharply escalating use of drugs such as methamphetamines, "club drugs" such as MDMA ("ecstasy") and abuse of legally prescribed drugs such as Oxycontin;

Whereas the Office of National Drug Control Policy within the Executive Office of the President was established by the National Narcotics Leadership Act of 1988 to coordinate the Nation's overall counter-narcotics efforts;

Whereas the United States has consistently and firmly supported a "balanced" approach in the war on drugs, and the National Drug Control Strategy for 2002 calls for stopping drug use before it starts through education and community action, healing America's drug users by getting treatment resources where they are needed, and disrupting the market by attacking the economic basis of the drug trade;

Whereas more than 5,000 community anti-drug coalitions across America have been

created to bring together parents, teachers, coaches, mentors, business leaders, faith-based organizations, and Federal, State, and local governments to reduce drug use through effective grassroots efforts;

Whereas the President of the United States has directed the Secretary of Health and Human Services and the Attorney General to better define and address the so-called "treatment gap" in America through increased and more effective drug treatment facilities across America and by convincing nearly 90 percent of drug abusers, particularly adolescents, that they in fact need help;

Whereas the National Youth Anti-Drug Media Campaign plays an important role in reducing drug use and social disapproval of drugs;

Whereas there is a well-established link between the profits from the illegal drug trade and the financing of many of the world's leading terrorist organizations, including the Taliban, al-Qaeda, and the Fuerzas Armadas Revolucionarias de Colombia (FARC), and the illegal narcotics trade has contributed directly to social and political instability and loss of innocent life in democratic nations in the Andean region and around the world;

Whereas the United States Government and the House of Representatives are working closely with allied nations to stop the international production and transit of illegal drugs and promote alternative development and means of economic growth;

Whereas the capabilities of the United States Coast Guard, the United States Customs Service, and the United States Border Patrol are critical to our Nation's drug interdiction efforts and must be maintained at no less than their current levels;

Whereas Federal, State, and local law enforcement agencies are working diligently to enforce laws prohibiting the use of illegal drugs and to interdict illegal drug traffic to the United States;

Whereas the Supreme Court of the United States decisively reaffirmed that the Controlled Substances Act is binding national law in *United States v. Oakland Cannabis Buyers' Collective*, 532 U.S. 483 (2001); and

Whereas the use of illegal drugs has been decisively rejected by the American people as inconsistent with the general welfare of the United States and individual dignity: Now, therefore, be it

Resolved, That the House of Representatives—

(1) expresses its support for the President of the United States and the Office of National Drug Control Policy in the goal to reduce drug use in America by 10 percent during the next 2 years and 25 percent during the next 5 years;

(2) calls on all Americans to join in the effort to prevent, reduce, and reject illegal drug use in America by talking to children about the dangers and consequences of illegal drug use and encouraging other responsible adults to do the same in their families and communities;

(3) calls on the President, the Secretary of State, the Secretary of Defense, the Attorney General, the Secretary of the Treasury, the Secretary of Health and Human Services, the Secretary of Transportation, the Director of the Office of National Drug Control Policy, and the heads of subsidiary agencies (including the Drug Enforcement Administration, the United States Customs Service, the United States Coast Guard, and the Substance Abuse and Mental Health Administration) to work together to effectively implement the 2002 National Drug Control Strategy and continue to seek ways to improve the coordination among Federal, State, and local governments, nonprofit organizations,

corporations, foreign governments, and private citizens to reduce the demand for international supply of illegal drugs in the United States;

(4) expresses its sense that narcotics control is an integral part of homeland security and should be a priority mission for any new Department of Homeland Security;

(5) commends all Federal, State, and local government personnel working to combat illegal drug use in the United States, as well as community leaders who seek to make a difference across the United States; and

(6) reaffirms the sense of the House of Representatives against any use of narcotic and other drugs in a manner inconsistent with the Controlled Substances Act.

The SPEAKER pro tempore (Mr. ADERHOLT). Pursuant to the rule, the gentleman from Indiana (Mr. SOUDER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. SOUDER).

GENERAL LEAVE

Mr. SOUDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SOUDER. Mr. Speaker, I yield myself such time as I may consume.

This resolution expresses the support of the House for the President's National Drug Control Strategy as well as for the work of the many individuals across America, in the government and in the private sector, who dedicate themselves to controlling and preventing drug abuse and helping drug abusers.

I introduced this resolution in my capacity as chairman of the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, joined by, as original cosponsor, the ranking member, the gentleman from Maryland (Mr. CUMMINGS). I very much appreciate his bipartisan support for this resolution and on so many other issues during this Congress.

I would also like to recognize the continued work of my co-chairs on the Speakers' Task Force for a Drug-Free America, the gentleman from Ohio (Mr. PORTMAN), the gentleman from Florida (Mr. MICA), as well as the gentleman from Illinois (Mr. DAVIS), who has been a great member and asset to our subcommittee.

I believe it is also appropriate to take a moment to recognize the lifelong work on drug control of the vice-chairman of the subcommittee, the gentleman from New York (Mr. GILMAN), the former chairman of the Committee on International Relations. He has tirelessly advocated vigorous efforts to stop drug abuse and trafficking and protect American youth throughout his distinguished career, and his unwavering leadership in this House will be sorely missed, especially on this issue.

As the resolution details, drug abuse continues to be a serious problem in

America today. The death of nearly 20,000 Americans this year will be caused directly by illegal drugs. Fifty-two thousand Americans will die of drug-related causes, and more than 600,000 Americans visit hospital emergency rooms for drug-related episodes every year.

In the past year, we have redirected the focus of the vast apparatus of the Federal Government to the threat of catastrophic terrorism. I want to remind my colleagues, however, that day-to-day and town-by-town, the slow, deadly, painful, and disruptive toll of illegal drug use continues unabated. Today, in addition to the continued tremendous challenge of holding the line on traditional drugs like cocaine and heroin, we also face emerging threats such as high potency marijuana, which many know as "BC Bud," the growth of methamphetamine use, the so-called "club drugs" like Ecstasy, and increased abuse of the prescription drug Oxycontin.

Earlier this year, President Bush and Director Walters of the Office of National Drug Control Policy released the National Drug Control Strategy to detail the administration's approach to reducing drug use in America. It is a balanced strategy that calls for stopping drug use before it starts through education and community action, healing America's drug users by getting treatment resources where they are needed, and disrupting the market by attacking the economic basis of the drug trade through interdiction and vigorous law enforcement.

As part of the strategy, the President has set the aggressive goal of reducing drug use in America by 10 percent during the next 2 years and 25 percent during the next 5 years. This resolution expresses the support of the House for the balanced strategy set forth, as well as the goal of a measurable reduction of illegal drug use in America. I believe that meeting these specific goals will be a challenge but that the House should strongly support the effort to restore accountability and performance measurement to the Nation's drug control programs.

I also believe that the House should express its support for the tireless and often thankless work which so many Americans do every day to combat illegal drug traffic and abuse within our country and around the world.

Whether it be a drug counselor who helps the addicted, the DEA agent who risks his or her own life to fight the often violent drug cartels, the community coalition leader who tries to keep kids from starting drug use, the Customs, Immigration, or Border Patrol officer on the front line at the border, the doctor or nurse who offers the medical help, the Coastie on the water in the transit zone, the local cop, the Foreign Service officer in a source country, or even the mother who reports suspicious activity on her block, these and countless other Americans work every hour of every day to fight illegal

drugs. We ought to recognize and thank them. This resolution does that.

The resolution also expresses the sense of the House that narcotics control should continue to be a priority mission for the new Department of Homeland Security, as well as our continued opposition to any use of narcotics not permitted by the Controlled Substances Act, the basic Federal law prohibiting use of illegal drugs.

Finally, I want to note that this resolution calls on all Americans to join in a united effort to fight drug use in our communities. This is especially true of our parents, who we want to urge to talk to their children about the dangers and consequences of illegal drug use and encourage others to do so in their families and communities.

We have seen how increased vigilance to threats to our society and way of life can help make us safer as a Nation, and I hope that families and communities can do the same with respect to parenting and drug use.

I urge my colleagues to support the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very pleased to join with the gentleman from Indiana (Chairman SOUDER) in consideration of House Resolution 569, a bill expressing support for the President's 2002 National Drug Control Strategy to reduce illegal drug use in the United States.

I also want to commend the gentleman from Indiana for his outstanding leadership on this issue and especially for the convening of a field hearing in Chicago, where I live. I have appreciated the work that the gentleman has done; and, as I have indicated, I am pleased to join with him in consideration of this legislation.

Mr. Speaker, I include for the RECORD the statement of the gentleman from the gentleman from Maryland (Mr. CUMMINGS), who is the ranking member, and for whom I am actually filling in, in the presentation of this matter.

The statement referred to is as follows:

Mr. CUMMINGS. Mr. Speaker, I rise in favor of H. Res. 569, expressing support for the President's 2002 National Drug Control Strategy. As the Ranking Minority Member of the drug policy subcommittee, I'm happy to join with my chairman, the gentleman from Indiana, as an original cosponsor of this resolution.

As the War on Terror, homeland security, possible war with Iraq, and other issues dominate headlines, it is important that the American people, we in Congress, and the various state, federal and local agencies involved in the War on Drugs remain vigilant with regard to illegal drug control. Illegal drugs still claim many more American lives than terrorist attacks and they are responsible for much of the violent crime and property crimes that undermine the stability and safety of communities across the country, including my own city of Baltimore.

The increasing linkage between illegal drug trafficking and the financing of terrorist activities makes it all the more imperative that we keep our eye on the ball and not let the war on drugs slip as a national priority. Chairman SOUDER and I share this concern and worked together in the Government Reform Committee on a provision in the homeland security bill to create a high-level position within the new department that will be responsible and accountable for coordination of drug control functions within and outside the new department. A similar provision has been included in the bill approved by the whole House and I would urge our colleagues in the other body to preserve it.

Mr. Speaker, the President deserves credit for making drug control a high priority in his administration. The national drug control strategy unveiled in February by the President and Office of National Drug Control Policy Director John Walters reflects a balanced and thoughtful approach to combating the drug problem. It recognizes that U.S. demand for drugs is the root of our domestic drug problem, identifying U.S. demand-reduction as a "central focus." Consistent with this recognition, the strategy boldly states the goal of reducing domestic drug use by ten percent over two years, and by 25 percent over 5 years.

The strategy further reflects a recognition of the essential role that treatment plays in reducing drug-demand. The President's proposed drug control budget includes a \$1.6 billion increase in drug treatment funding over 5 years, in addition to a solid commitment to the Drug Free Communities Program, the National Youth Anti-Drug Campaign, drug courts, and other vital demand-reduction programs.

In the areas of treatment and domestic law enforcement, the President's strategy reflects an emerging pragmatic consensus around the concept that drug treatment and law enforcement are most effective when approached as complementary rather than competing objectives. The criminal justice system must work in concert with treatment initiatives in order to achieve positive long-term outcomes for users, addicts, and communities afflicted with drugs and drug-related crime.

This is the approach vindicated by a recent, groundbreaking drug-treatment study, focusing on Baltimore, entitled "Steps to Success." Commissioned by Baltimore Substance Abuse Systems, Inc., and conducted by a blue-ribbon panel of experts from Johns Hopkins University, the University of Maryland, and Morgan State University, the study showed that a substantial increase in funding for drug treatment resulted not only in dramatic decrease in addiction and abuse, but also in equally dramatic reductions in emergency-room deaths, HIV/AIDS transmission, and both violent and property crimes. "Steps to Success" is the most thoroughly researched study of its kind and should put to rest the notion that treatment dollars are not dollars well spent. This is a lesson that communities nationwide can benefit from.

Mr. Speaker, I want to thank the gentleman from Indiana, Mr. SOUDER, for his constructive leadership on the drug policy subcommittee and in bringing this resolution to the floor. I know we both look forward to continuing to work together, and with Director Walters, in maintaining our government's focus on the critical goal of reducing illegal drug use.

Mr. DAVIS of Illinois. Mr. Speaker, last year the Chicago Defender published an article entitled "Cook County Drug Offenders Lose Out in Drug Treatment Revival."

Though the article focused on Cook County in Illinois, it brought to the forefront a national trend towards treatment for drug offenders. Troubled by the devastating impact of drugs on the criminal justice system, the courts are diverting more drug offenders away from prisons, mandating instead that they enroll in substance abuse rehabilitation programs.

Keevin Irons, for example, a 41-year-old native of suburban Chicago Heights, had been hooked on drugs for 20 years when a Cook County circuit judge gave him 4 years' probation on a drug possession charge and ordered him to 28 days in a residential treatment center.

Mr. Irons said of the treatment that was aimed at getting him to recognize the patterns of abuse in his life, and I quote, "Treatment has brought me a long way to learn about my disease and what made me do the things that I did. I see my life differently now. I can go out to society and be a productive citizen. Recovery is a beautiful thing."

Mr. Speaker, recovery is a beautiful thing, which is why I am pleased to see that President Bush's 2002 National Drug Control Strategy includes over \$850 million for various drug prevention programs and an additional \$1.6 billion over the next 5 years for drug treatment programs.

This money, and more, is sorely needed to address the devastating impact of drugs on the criminal justice system. More and more addicts are streaming into the system than it can help. The problem is particularly acute in Cook County, where the drug caseload has exceeded those of other Illinois counties. Cook County drug offenders are far less likely to receive drug treatment as part of their probation than those in Illinois' other 101 counties, shown by an investigation by the Chicago Reporter.

According to the Illinois Department of Corrections, the number of prison sentences for drug crimes increased more than 12-fold from 1983 to 1999, when 13,766 drug offenders were sentenced to prison. Once discharged, about 40 percent of them will end up back in prison within 3 years.

Furthermore, drug users are among the most active perpetrators of other crimes. Nearly two-thirds of jailed inmates nationwide said they used drugs regularly prior to their arrest, and about one in six committed their current offense to sustain a drug habit, according to a 2000 study by the Department of Justice.

In response to this, as the Chicago Defender reported, States are moving away from incarceration to initiatives such as drug courts. Drug courts divert offenders to treatment, but they also impose penalties for misbehavior. The drug courts program uses the coercive

power of the court to force abstinence and alter behavior through a combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.

The 2002 drug strategy provides an additional \$2 million for drug court programs, bringing the total to \$52 million for fiscal year 2003. According to the 1997 National Treatment Improvement Evaluation Study by the U.S. Department of Health and Human Services, such treatment programs cut illicit drug use by 48 percent and reduce arrest rates by 64 percent. These programs help stabilize communities by making them safer and making productive citizens out of drug offenders.

I support the President's drug prevention and treatment strategy and its continued funding. Recovery is a beautiful thing; and, Mr. Speaker, I urge the adoption of this resolution.

Once again, Mr. Speaker, I want to commend my colleagues, the gentleman from Indiana (Chairman SOUDER) and the ranking member, the gentleman from Maryland (Mr. CUMMINGS), for the outstanding leadership they both have brought and continue to bring to this issue.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SOUDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, this is a very important resolution that we acknowledge that, even under this time when we are under a terrorist attack, that we are under chemical attack as well.

In my hometown of Fort Wayne, Indiana, we have seen in the past month a very gruesome murder that occurred to cover up another murder, where kids were high on drugs and alcohol. In fact, they not only beat up and then shot but then burned two of their acquaintances in a field.

This past week we saw another group murder. It appears to be gang-related. It appears to be related to narcotic sales in the City of Fort Wayne.

The principal of South Side High School had to have teachers and police at the football game. He has been actively reaching out and looking for prevention programs and trying to reach the kids, whether it is through community churches, community organizations and the classroom, to try to show the evils of narcotics and the impact they have on the community and the evil of gang warfare that often is closely related.

We may or may not ever see terrorist attacks in Fort Wayne and we may or may not see terrorist attacks around the United States, but we are certainly going to see drug abuse. For the people in the field, those working in the programs and prevention in the schools and prevention in the communities, those who work with treatment, it is often very discouraging.

A lot of people ask me, as chairman of the Subcommittee on Criminal Justice, Drug Policy, and Human Re-

sources, why can you not just eliminate this problem? But let me remind the Members that, at core, there are a couple of different things. One is that we will never eliminate evil from the world. We try to control it as much as possible. This is true of rape, it is true of child abuse, it is true of spouse abuse, it is true of child abandonment. They have been with us for a long time.

As leaders in this country, we cannot say, oh, it is not working; therefore, we are going to abandon it. We have to redouble our efforts.

Furthermore, in the area of narcotics, we see every day new people who heretofore we thought were invulnerable to a narcotics attack, whether it is young kids who now are being exposed for the first time in elementary school, the first time at a party in junior high, or at a club scene as a high schooler who had never been exposed to narcotics before.

We have to be there in prevention, be there when they are first exposed, be there for treatment, and also be there to intercept the drugs as they are coming into this country, so we keep the prices from going so cheap and the purity so high that, when they have that exposure, they die on simple impact.

This is a combined strategy that never gives up, that understands that we are battling all the time to try to change these families, people who have lost work, people who have gone through a divorce, people who are vulnerable at that moment, much like they are for other types of things. We need to be working aggressively, and this resolution praises all those in the field who have worked with this and reminds Congress and the American people that we have tens of thousands of people who lose their lives, who get shot, who go to emergency rooms because of this evil of narcotics.

Mr. Speaker, I commend this resolution to the House and hope that it passes unanimously.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H. Res. 569, a resolution expressing support for the president's 2002 National Drug Control Strategy. I urge my colleagues to lend it their wholehearted support.

This resolution expresses the support of the Congress for President Bush's 2002 National Drug Control Strategy to reduce illegal drug use in the United States. It recognizes the alarming rate of drug abuse in our country, the serious toll it takes on American families and communities in the form of damaged or destroyed lives, and the financial support which drug traffic provides for terrorist and other criminal enterprises. Finally, it expresses the support of the House for the balanced approach to the Nation's war on drugs, focusing equally on supply and demand reduction.

Drug abuse is a widespread problem affecting more than 9 million individuals. Recent years have shown disturbing trends in the use of heroin, various club drugs, and methamphetamine, especially among our younger population. Moreover, the drugs available on the streets today are cheaper, purer and easier to acquire than at any previous point in our Nation's history.

All told, it is estimated that 85 percent of all crime committed in the United States is somehow related to either drug or alcohol addiction. Furthermore, U.S. taxpayers spend an average of \$150 billion per year in drug-related criminal and health care costs. Moreover, since last year we have learned of the insidious link between the drug trade and international terrorism.

Equally troubling is the long term impact on the families, and especially the children, of alcoholics and drug abusers. Far too many children grow up in homes where one or both parents consume are more likely to suffer abuse or neglect from their parents, and have a higher risk of becoming alcoholics or addicts themselves.

We have made enormous progress in improving drug and alcohol awareness. Thanks to the tireless efforts of groups like mothers against drunk driving, alcohol-related traffic fatalities have decreased considerably from thirty years ago.

Yet we still have far to go. Far too many people do not view alcohol as a drug, and an alarming number of Americans do not realize that various alcoholic beverages contain different amounts of alcohol.

We also have far to go on the drug front as well. Recent years have seen a proliferation of efforts to create back doors to legalization, best shown by the medical marijuana argument. However, anti-drug efforts are seeing signs of finally working after years of neglect. A return to a balanced approach that attacks both the supply and demand side of the problem has made a difference.

Drug treatment is an important component of demand reduction that has proven itself to work, but it requires enormous commitment on the part of both doctor and patient. This is especially true for those addicted to opiate narcotics and alcohol.

H. Res. 569 supports the President's argument that the current time is ideal to reinvigorate the American people public in the war on drugs. In implementing this strategy, we should apply the recent lessons learned to formulate a balanced approach that attacks both demand and supply of illicit drugs.

The President has outlined a bold strategy that is designed to: Stop drug use before it starts, provide appropriate treatment for America's drug users, and disrupt the current illicit drug market.

I have spent the last thirty years in the Congress fighting the scourge of illegal drugs. I am pleased to see an administration that is strongly committed to this goal, and recognizes the dangers posed by this illicit trade, both in lives affected, wasted talent, and the turmoil caused by drug-financed terrorism.

Success in our drug war requires the commitment of every American. This resolution is a good start. I therefore urge its adoption.

Mr. SOUDER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CANTOR). The question is on the motion offered by the gentleman from Indiana (Mr. SOUDER) that the House suspend the rules and agree to the resolution, House Resolution 569.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

## ACCOUNTABILITY OF TAX DOLLARS ACT OF 2002

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4685) to amend title 31, United States Code, to expand the types of Federal agencies that are required to prepare audited financial statements, as amended.

The Clerk read as follows:

H.R. 4685

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Accountability of Tax Dollars Act of 2002".

### SEC. 2. AMENDMENTS RELATING TO AUDITING REQUIREMENT FOR FEDERAL AGENCY FINANCIAL STATEMENTS.

(a) IN GENERAL.—Section 3515 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "Not later" and inserting "(1) Except as provided in subsection (e), not later";

(B) by striking "each executive agency identified in section 901(b) of this title" and inserting "each covered executive agency"; and

(C) by striking "1997" and inserting "2003";

(2) in subsection (b) by striking "an executive agency" and inserting "a covered executive agency";

(3) in subsection (c) and (d) by striking "executive agencies" each place it appears and inserting "covered executive agencies"; and

(4) by adding at the end the following:

"(e)(1) The Director of the Office of Management and Budget may exempt a covered executive agency, except an agency described in section 901(b), from the requirements of this section with respect to a fiscal year if—

"(A) the total amount of budget authority available to the agency for the fiscal year does not exceed \$25,000,000; and

"(B) the Director determines that requiring an annual audited financial statement for the agency with respect to the fiscal year is not warranted due to the absence of risks associated with the agency's operations, the agency's demonstrated performance, or other factors that the Director considers relevant.

"(2) The Director shall annually notify the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate of each agency the Director has exempted under this subsection and the reasons for each exemption.

"(f) The term 'covered executive agency'—

"(1) means an executive agency that is not required by another provision of Federal law to prepare and submit to the Congress and the Director of the Office of Management and Budget an audited financial statement for each fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency; and

"(2) does not include a corporation, agency, or instrumentality subject to chapter 91 of this title."

(b) WAIVER AUTHORITY.—

(1) IN GENERAL.—The Director of the Office of Management and Budget may waive the application of all or part of section 3515(a) of title 31, United States Code, as amended by this section, for financial statements required for the first 2 fiscal years beginning after the date of the enactment of this Act for an agency described in paragraph (2) of this subsection.

(2) AGENCIES DESCRIBED.—An agency referred to in paragraph (1) is any covered ex-

ecutive agency (as that term is defined by section 3515(f) of title 31, United States Code, as amended by subsection (a) of this section) that is not an executive agency identified in section 901(b) of title 31, United States Code.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

□ 1415

### GENERAL LEAVE

Mr. HORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4685.

The SPEAKER pro tempore (Mr. CANTOR). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4685, the Proposed Accountability of Tax Dollars Act of 2002, was introduced on May 8 by the distinguished gentleman from Pennsylvania (Mr. TOOMEY). This bill would expand the number of Federal agencies that are required to prepare audited financial statements each year. At present, only 24 Departments and agencies are covered by the Chief Financial Officers Act of 1990, as amended. They now must meet this requirement.

This bill would require that most executive branch agencies produce annual audited financial statements. However, the Office of Management and Budget could exempt agencies with annual budgets of less than \$25 million a year. However, to do so it must determine that those agencies do not present risk factors that warrant audited financial statements. I expect this waiver authority to be used rarely, if ever. The bill would also permit the Office of Management and Budget to phase in the financial statement requirement over a 2-year period. This provision would give agencies additional time to prepare if they need it.

The Enron debacle and similar events underscored the need for honest and accurate financial reporting in the private sector. I can assure you, Mr. Speaker, that this need is just as critical in the Federal Government. The Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, which I chair, has held countless hearings on the pervasive financial management problems that confront most Federal agencies. Requiring annual audited financial statements will not solve all of those problems; however, it will bring more agencies closer to providing reliable financial information and holding them accountable to the American taxpayers.

We should bring behavior sanctions to Federal financial officers, who misuse fiscal management.